Representations received with regard to transfer of Bailadila Mines

3371. SHRI KRISHNA KUMAR BIRLA: Will the Minister of STEEL be pleased to state:

(a) whether Government have received spate of representations from political leaders and others to take appropriate steps with regard to the proposed transfer to 11-B mine of the Bailadila iron ore deposits in Madhya Pradesh to a private company;

(b) if so, the view point of the Government now in this regard;

(c) whether Government propose to investigate the dealings held in this regard by the earlier Government;

(d) if so, by when; and

(e) if not, the reasons therefor?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) Yes, Sir. The Government have received representations from Hon'ble Members of Parliament, certain individuals & trade Unions/Organisations both in favour of and against the decision for the transfer of mining lease for Bailadila Iron Ore Deposit 11-B to a joint venture company.

(b) to (e) The Hon'ble High Court at Calcutta granted a stay order on transfer of the lease of 11-B iron ore mines in favour of the joint venture company on 16.4.96 on a public interest petition filed by Shri Gurudas Dasgupta and Shri Jibon Roy, Members of Parliament. The writ petition was dismissed by the Hon'ble High Court on grounds of jurisdiction on 10.5.1996. However, the operation of the order was stayed by the Hon'ble High Court for a period of three weeks upto 31.5.1996. On a petition by the JV Company against this order, the Hon'ble Calcutta High Court has ordered that the interim stay granted by the learned trial judge will remain suspended till the disposal of the appeal preferred by the Company and the appeal preferred by Shri Gurudas Dasgupta (against the order dismissing the original writ petiton on jurisdiction grounds). These appeals are to come up before the regular bench.

A Public Interest Litigatoin (PIL) has also been filed in the High Court of Delhi in July, 1996 against the transfer of Bailadila Deposit 11-B.

The subject is very important and needs detailed examination on various aspects. However, since the matter is pending before the Courts, the Government would like to await the judicial verdict.

Opening of small scale sector

3372. SHRI N. THALAVAI SUNDARAM : Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have decided to open small scale sectors to the public sector;

(b) whether it is a fact that foreign equity is likely to be allowed in that sector; and

(c) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) No, Sir.

(b) and (c) Other industrial undertakings including foreign industrial undertakings can invest in the equity of small scale industries to the extent of 24% only. If the equity exceeds 24% then the unit loses its small scale industries status.

Decline in fulfilment of Export Obligations

3373. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that over the last few years there has been decline in the fulfilment of export obligations imposed under different import related schemes;

(b) if so, the reasons therefor and what actions are being taken to ensure fulfilment of export obligations;

(c) the year-wise export obligations and corresponding fulfilments since 1992-93;

(d) the penalties for defaults in fulfilment of export obligations; and

(e) the extent to which these penalties have been imposed and amounts realized?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) to (c) Licences issued under Duty Exemption Scheme are subject to the fulfilment of export obligation which is initially allowed for a period of one year. The licensing authorities can also give extension for a further period of one year. This period may be further extended in deserving cases by the Headquarters Advance Licensing Committee. On the basis of extent of export obligation fulfilled, it may not be correct to say that there has been a decline over the last few years, since, at any given point of time, the extent of export obligation fulfilled would be more for the licences issued in the earlier years as compared to the licences issued in later years.

The extent of export obligation fulfilment against the licences issued under the Duty Exemption Scheme from 1992-93 to 1995-96 is given in the annexed Statement-I (*See* below).

Under the Export Promotion Capital Goods Scheme, the licences are issued with an export obligation period of five years in the case of 15% EPOG Scheme and eight years in the case of zero duty EPOG Scheme. The average rate of fulfilment of export obligation in case of EPOG licences issued during AM' 1990-91 and AM' 1991-92 is 90%. In case of EPOG licences issued during AM' 1992-93, the average rate of fulfilment of export obligation is 59%, but the licences have a period of 2-3 years more to fulfil the export obligation as per the provisions of the scheme.

The extent of export obligation fulfilment against the licences issued under the EPOG Scheme from 1992-93 is given in the annexed Statement-II (*See* below).

(d) and (e) In cases of non-fulfilment of export obligation action is taken by the licensing authorities for invocation of bank guarantee besides taking steps to recover the Customs duty on imported material wherever required. Cases of bonafide shortfall in fulfilment of export obligations are also regularised by licensing authority in terms of Para 128 of the Handbook of procedures which entails various recoveries, such as, recovery of shortfall amount, Customs duty with interest, surrender of specified categories of licences etc. In appropriate cases, fiscal penalty is imposed under Section 11 of the Foreign Trade (Development & Regulation) Act, 1992, where export or import has been made otherwise than in accordance with the provisions of the said Act, Rules and the orders made thereunder. Separate figures of penalties imposed/recovered solely on account of non-fulfilment of export obligation are not maintained. Orders of recovery of penalties are finally sent to the concerned District authorities for certificate action, in case normal channels of recovery fail to yield positive results.

Statement-I

Report on Advance Licences

Year	No. of Licence Issued	CIF Value (Rs. crore)	FOB Value (Rs. crore)	Realised for (Rs. Crore)	VALUE %age
1992-93	20290	6282.07	17805.20	12318.46	75.10%
1993-94	31205	8221.1	18974.05	11690.91	61.78%

Year	No. of Licence Issued	CIF Value (Rs. crore)	FOB Value (Rs. crore)	Realised for (Rs. Crore)	VALUE %age
1994-95	43040	11404.2	23949.94	7464.99	38.34%
1995-96	35896	11180.02	28261.29	1817.45	8.6%

Note: The %age of realised FOB value also taken into account the surrendered/ cancelled licences into account.

The extent of export obligation fulfilled reflected in the last Col. has been calculated against cases which have been finally closed. However, there are cases where export obligation has been fulfilled a either partially or in full but have not been closed due to non-compliance of procedural formalties, which have not been taken into account while reporting the extent of export obligation fulfilled.

Statement-II

Report on E.P.C.G. Licences

Licensing Year	Export Obligation Imposed	Export Obligation Fulfilled	%age of Export Obligation Fulfilled
1992-93	9947.04	5906.55	59.38
1993-94	8701.13	2989.70	34.36
1994-95	13107.01	1981.77	15.12
1995-96	59945.61	NIL	NIL

Excise duty exemption to SSIS

3374. SHRI RAMNATH KOVIND:
DR. RANBIR SINGH:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Small Scale Industries have requested Government to enhance limit of general excise duty exemptions for their sector;

(b) if so, the details thereof;

(c) whether Government propose to take some action on these requests; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) Yes, Sir.

(b) A number of Small Scale Industries through their respective associations have suggested enhancement of the limit of general excise duty exemption from Rs. 30 lakhs to Rs. 50/100 lakhs.

(c) and (d) At present, full exemption from excise duty is available in respect of goods manufactured by SSI units upto a value of clearance of Rs. 30 lakhs in a financial year. For clearance in excess of Rs. 30 lakhs but not exceeding Rs. 50 lakhs, a concessional rate of duty, i.e. normal duty rate minus 10 percentage points, subject to a minimum of 5% applies. For clearance in excess of Rs. 50 lakhs but not exceeding Rs.75 lakhs, the concessional rate is normal rate minus 5%age points subject to a minimum of 5%. The full exemption of Rs. 39 lakhs covers a substantial portion of SSI units and only very few units pay duty for clearance in excess of Rs. 30 lakhs. Though the SSI units account for 40% of the production in the manufacturing sector, their contribution to excise revenue is reported to be negligible. Therefore, any enhancement in the limit for full exemption will benefit only a handful of units and entail significant revenue implications.